

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WILSON DIVISION**

In the Matter of:
SHELTON EDGERTON
ANNETTE EDGERTON
Debtors.

Case No.:
10-01081-8-RDD
Chapter 12

**DEBTORS' MOTION FOR AUTHORIZATION
TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363 AND
TO GRANT POST-PETITION LIEN IN ASSETS OF DEBTORS**

COME NOW, Shelton and Annette Edgerton (hereafter "Debtors"), by and through their undersigned counsel, and respectfully move this Court for an Order authorizing the Debtors to use cash collateral pursuant to 11 U.S.C. § 363 and granting a post-petition lien in assets of the estate to the Farm Service Agency, as set forth below. In support of this Motion, the Debtors show unto this Court as follows:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The Debtors filed this petition pursuant to Chapter 12 of the United States Bankruptcy Code on February 12, 2010. Richard M. Stearns is the duly appointed and acting Chapter 12 Trustee.

3. Shelton Edgerton is a farmer with his principal place of business in Pikeville, North Carolina.

4. The Debtors are informed and believe that the following creditors may assert claims against the Debtors that are secured by accounts or other cash collateral, as follows:

i. The Bank of Hampton Roads f/k/a Gateway Bank & Trust. Upon information and belief, The Bank of Hampton Roads asserts four secured claims against the Debtors collateralized by real estate, equipment, accounts and other collateral. The Debtors have scheduled these claims as follows: (i) The first loan, in the approximate current amount of \$224,998.70, is purportedly secured by crops, accounts, equipment, inventory and other collateral; (ii) the second loan, in the approximate current amount of \$204,841.43, is purportedly secured by crops, accounts, equipment, inventory and other collateral; (iii) the third loan, in the approximate current amount of \$475,000, is purportedly secured by real estate assets of the Debtors; and (iv) the fourth loan, in the approximate current amount of \$730,205.01, is also secured by real estate assets of the

Debtors. Among other documentation evidencing these loans, The Bank of Hampton Roads filed a financing statement on April 29, 2008 asserting a blanket lien in the Debtors' personal property assets, including accounts and receivables.

5. The Debtors do not anticipate receipt of any additional sums from the disposition of pre-petition crops or other assets, and currently hold the approximate sum of \$24,000 in their joint debtor-in-possession account that originated from the pre-petition sales of market turkeys. The Debtors therefore are currently informed and believe that The Bank of Hampton Roads may have a claim to these proceeds as cash collateral securing pre-petitions loans and obligations.

6. The Debtors are currently anticipating a continuation of their farming operation by way of this proposed reorganization under Chapter 12. The Debtors believe that in order to preserve asset value, facilitate and maximize the benefit of any disbursement to creditors over the life of the Chapter 12 plan, and maintain their operations, the Debtors will be required to incur certain operating expenses, including wages, land rent, equipment rental and utilities. Other than through the use of available cash currently in the Debtors' possession, the Debtors have no other current source of readily available cash with which to operate. If the Debtors are not permitted to utilize such proceeds they will be unable to operate or maintain the value of its assets as a going-concern, and will have to cease operations.

7. The Debtors' operating and other expenses shall include, *inter alia*, land rent, fuel, personnel, harvesting costs, and other ordinary and necessary operating and personal expenses, as well as applicable taxes.

8. Certain of the net revenues of the Debtors' operations (including collections of outstanding accounts receivable) may be applied to the current secured indebtedness held by secured creditors, as dictated by applicable security instruments, the priorities of the Code and future orders of the Bankruptcy Court.

9. The Debtors represent that a reorganization and continuation of their operations will generate the greatest source of funds for creditors, including secured creditors.

WHEREFORE, the Debtors respectfully pray for the following relief:

1. For leave of the Court to pay necessary expenses utilizing current cash collateral;
2. For an Order authorizing the Debtors' use of cash collateral in accordance with 11 U.S.C. § 363; and
3. For such other and further relief that this Court deems just and appropriate.

DATED: March 19, 2010

AYERS & HAIDT, P.A.

/s/ David J. Haidt

By: David J. Haidt

N.C. State Bar No. 22092

Attorneys for the Debtors

Post Office Box 1544

New Bern, North Carolina 28563

(252) 638-2955

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
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In the Matter of:
SHELTON EDGERTON
ANNETTE EDGERTON
Debtors.

Case No.:
10-01081-8-RDD
Chapter 12

**NOTICE OF DEBTORS' MOTION FOR AUTHORIZATION
TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363**

NOTICE IS HEREBY GIVEN of the DEBTORS' MOTION FOR AUTHORIZATION TO USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363 filed simultaneously herewith in the above captioned case; and,

FURTHER NOTICE IS HEREBY GIVEN that this Motion may be allowed provided no response and request for a hearing is made by a party in interest in writing to the Clerk of this Court within fourteen (14) days from the date of this Notice; and

FURTHER NOTICE IS HEREBY GIVEN, that the Bankruptcy Court that if a response and a request for a hearing is filed by a party in interest in writing to the Clerk, US Bankruptcy Court, 1760 Parkwood Blvd., Wilson, North Carolina 27893, within the time indicated, a hearing will be conducted on the Motion and any Response thereto at a date, time and place to be later set by the Court and all interested parties will be notified accordingly. If no request for a hearing is timely filed, the Court may rule on the Motion and Respond thereto ex parte without further notice.

DATE OF NOTICE: March 19, 2010.

AYERS & HAIDT, P.A.

/s/ David J. Haidt

By: David J. Haidt

N.C. State Bar No. 22092

Attorneys for the Debtors

Post Office Box 1544

New Bern, North Carolina 28563

(252) 638-2955

CERTIFICATE OF SERVICE

I, David J. Haidt, Post Office Drawer 1544, New Bern, North Carolina 28563, certify:

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age;

That on the 19th day of March, 2010, a member of my staff served copies of the foregoing Motion and Notice on the parties listed below by facsimile or by regular mail, postage paid; and, that on the 19th day of March, 2010, a member of my staff served copies of the foregoing Notice on the parties listed on "Exhibit A" attached hereto, by regular mail, postage prepaid.

I certify under penalty of perjury that the foregoing is true and correct.

EXECUTED ON: March 19, 2010.

BY: /s/ David J. Haidt
DAVID J. HAIDT
N.C. State Bar No. 22092

TO:

BANKRUPTCY ADMINISTRATOR (VIA CM/ECF)
PO BOX 3758
WILSON, NC 27894-3758

UNITED STATES ATTORNEY
310 NEW BERN AVE.
FEDERAL BUILDING, SUITE 800
RALEIGH, NC 27601-1461

FARM SERVICE AGENCY
ATTN: KEITH H. WEATHERLY
4407 BLAND RD., SUITE 175
RALEIGH, NC 27609

The Bank of Hampton Roads
Attention: Eddie Campbell
2235 Gateway Access Point
Suite 200
Raleigh NC 27607

BB&T
ATTN: Managing Agent
P.O. Box 580048
Charlotte, NC 28258-0048

Farm Service Agency
Attention: Debbie Houston
P.O. Box 799
Goldsboro, NC 27533

East Carolina Farm Credit
ATTN: Managing Agent
P.O. Box 1719
Smithfield, NC 27577-1719

Agricredit Acceptance, LLC
ATTN: Managing Agent
P.O. Box 4000
Johnston, IA 50131-9854

John Deere Credit
ATTN: Managing Agent
P.O. Box 4450
Carol Stream, IL 60197-4450

Mr. Jack R. Hayes
Branch Banking & Trust Company
P.O. Box 1847
Wilson, NC 27894-1847

Richard M. Stearns, Trustee (VIA CM/ECF)
P.O. Box 2218
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EXHIBIT 11
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Label Matrix for local noticing
 0417-8
 Case 10-01081-8-RDD
 Eastern District of North Carolina
 Wilson
 Tue Mar 9 12:50:51 EST 2010

AGCO Finance LLC
 PO Box 2000
 Johnston IA 50131-0020

AGCO Finance, LLC
 ATTN: Managing Agent
 P.O. Box 4000
 Johnston, IA 50131-0400

Agricredit Acceptance LLC
 PO Box 2000
 Johnston IA 50131-0020

Agricredit Acceptance, LLC
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 P.O. Box 4000
 Johnston, IA 50131-0400

BB&T
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 P.O. Box 480022
 Charlotte, NC 28258-0022

BB&T
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 P.O. Box 580048
 Charlotte, NC 28258-0048

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 PO BOX 1847
 WILSON NC 27894-1847

BB&T Constant Credit
 ATTN: Managing Agent
 P.O. Box 200
 Wilson, NC 27894-0200

BB&T of Eastern NC
 Business Loan Center
 ATTN: Managing Agent
 P.O. Box 580003
 Charlotte, NC 28258-0003

Bank of America
 ATTN: Managing Agent
 P.O. Box 15019
 Wilmington, DE 19886-5019

Bank of America
 c/o: Collection Agency ErSolutions
 P.O. Box 9004
 Renton, WA 98057-9004

Bankruptcy Administrator
 PO Box 3758
 Wilson, NC 27895-3758

Bob and Ruth Reynolds
 3401 Barnsley Lane
 Raleigh, NC 27604

CNH Capital
 CRA Payment Center
 ATTN: Managing Agent
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 Lancaster, PA 17604-3900

CNH Capital
 P.O. Box 1083
 Evansville, IN 47706-1083

CNH Capital America, LLC
 ATTN: Managing Agent
 P.O. Box 0507
 Carol Stream, IL 60132-0507

Chase Cardmember Service
 ATTN: Managing Agent
 P.O. Box 15153
 Wilmington, DE 19886-5153

Citi Card
 ATTN: Managing Agent
 P.O. Box 182564
 Columbus, OH 43218-2564

Citicapital Commercial Corporation
 ATTN: Managing Agent
 3950 Regent Blvd., 2nd Floor
 Irving, TX 75063-2244

Client Services, Inc
 For Wells Fargo Bank
 3451 Harry Truman Blvd
 St. Charles, MO 63301-4047

Creditors Interchange
 Chase Manhattan Bank
 ATTN: Managing Agent
 P.O. Box 1335
 Buffalo, NY 14240-1335

Crop Production Services
 ATTN: Managing Agent
 1009 Faro Road
 Fremont, NC 27830-9323

DTN, Inc
 Attn: Asset Recovery
 9110 West Dodge Road
 Omaha, NE 68114-3346

Deere & Company
 PO Box 6600
 6400 NW 86th Street
 Johnston, IA 50131-2945

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 ATTN: Managing Agent
 P.O. Box 71084
 Charlotte, NC 28272-1084

Discover Bank
 Dfs Services LLC
 PO Box 3025
 New Albany, Ohio 43054-3025

Randy D. Doub
 Wilson, NC 27894

East Carolina Farm Credit
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 Smithfield, NC 27577-1719

Annette Elaine Edgerton
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 Pikeville, NC 27863-0612

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Shelton Barnes Edgerton
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 Carol Stream, IL 60197-4450

Farm Service Agency
 Attention: Debbie Houston
 P.O. Box 799
 Goldsboro, NC 27533-0799

First National Bank Omaha
 ATTN: Managing Agent
 P.O. Box 2557
 Omaha, NE 68103-2557

First National Equipment Financing
 Diversified Financial Services LLC
 ATTN: Managing Agent
 P.O. Box 2056
 Omaha, NE 68103-2056

G.E. Capital
 ATTN: Managing Agent
 P.O. Box 3083
 Cedar Rapids, IA 52406-3083

GE Capital
 ATTN: Managing Agent
 GE Transportation Finance
 ATTN: Managing Agent
 P.O. Box 822108
 Philadelphia, PA 19182-2108

GE Capital Corporation
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(p) INTERNAL REVENUE SERVICE
 CENTRALIZED INSOLVENCY OPERATIONS
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Lowe's
 ATTN: Managing Agent
 P.O. Box 530914
 Atlanta, GA 30353-0914

N.C. Department of Revenue
 Attn: Bankruptcy Unit
 P.O. Box 1168
 Raleigh, NC 27602-1168

New Holland Credit Company
 ATTN: Managing Agent
 100 Brubaker Avenue
 New Holland, PA 17557-1661

Penncro Associates, Inc
 95 James Way, Suite 113
 Southampton, PA 18966-3847
 Royster-Clark, Inc.
 ATTN: Managing Agent
 P.O. Box 272

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 Hinson & Rhyne, P.A.
 P. O. BOX 7479
 WILSON, NC 27895-7479

Secretary of the Treasury
 1500 Pennsylvania Ave. N.W.
 Washington, DC 20220-0001

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 PO Box 2218
 KINSTON, NC 28502-2218

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 Attention: Eddie Campbell
 2235 Gateway Access Point
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 Raleigh NC 27607-3076

USDA Farm Service Agent
 ATTN: Managing Agent
 4407 Bland Road, Suite 175
 Raleigh, NC 27609-6872

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Wayne County Tax Collector
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 Goldsboro, NC 27533-1495

Wells Fargo Bank, N.A.
 BDD Bankruptcy Dept, MAC 54101-08C
 100 W. Washington Street
 Phoenix, AZ 85003-1805

Wells Fargo Financial Leasing
 ATTN: Managing Agent
 P.O. Box 6434
 Carol Stream, IL 60197-6434

Wells Fargo Financial Leasing, Inc.
 ATTN: Managing Agent
 MAC F4045-050
 400 Locust Street, Ste 500
 Des Moines, IA 50309-2355

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

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BB&T
 PO Box 1847
 Wilson, NC 27894

Internal Revenue Service
 Attn: Managing Agent
 P.O. Box 21726
 Philadelphia, PA 19114

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d) Deere & Company
 PO Box 6600
 6400 NW 86th Street
 Johnston, IA 50131-2945

(u) Gateway Bank & Trust Company

(u) Johnnie Howard

End of Label Matrix
 Mailable recipients 55
 Bypassed recipients 3
 Total 58

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